

## Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 OMB-01 TRSE-00 AID-05 EB-08 COME-00  
SSC-01 PC-01 CIAE-00 DODE-00 PM-05 H-01 INR-10  
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11  
/084 W

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R 171733Z AUG 78  
FM AMEMBASSY TEGUCIGALPA  
TO SECSTATE WASHDC 1275  
INFO AMEMBASSY GUATEMALA  
AMEMBASSY LIMA  
AMEMBASSY MANAGUA  
AMEMBASSY SAN JOSE  
AMEMBASSY SAN SALVADOR

C O N F I D E N T I A L TEGUCIGALPA 3944

E.O. 11652: GDS  
TAGS: PGOV, PINT, MPOL, HO  
SUBJ: GOVERNMENT CHANGES NEARLY COMPLETE: CENTRAL BANK STILL  
OPEN

REF: (A) STATE 203959, (B) TEGUCIGALPA 3771

1. SUMMARY: CHANGES HAVE NOW BEEN ANNOUNCED OFFICIALLY IN THE SUPREME COURT PRESIDENCY, THE NATIONAL DEVELOPMENT CORPORATION (CONADI) AND THE NATIONAL PORT AUTHORITY (ENP). OTHER AUTONOMOUS AGENCY CHANGES ARE EXPECTED TO BE CONFIRMED SHORTLY. PEDRO PINEDA MADRID REPLACES CESAR BATRES AS CHIEF NEGOTIATOR FOR THE MEDIATION PROCESS WITH EL SALVADOR. GUILLERMO BUESO AT THE CENTRAL BANK HAS NOT MADE ANY PUBLIC STATEMENT SINCE THE CHANGE IN GOVERNMENT BUT NEITHER HAS A REPLACEMENT BEEN NAMED AND EMBASSY HAS BEEN TOLD GOH WISHES TO KEEP HIM. THE NUMBER OF PERSONS WHO HELD THE SECOND POSITION DURING THE MELGAR ADMINISTRATION AND WHO HAVE BEEN MOVED UP IS STRIKING. THE MUSICAL CHAIRS BEING PLAYED IMPLIES A STRONG REGARD FOR CONTINUITY AND A RECOGNITION  
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OF THE NEED TO REASSURE INTERNATIONAL OPINION. END SUMMARY.

2. SUPREME COURT PRESIDENT SALOMON JIMENEZ CASTRO IS BEING REPLACED BY ALEJANDRO LOPEZ CANTARERO, A LONG-TIME SUPREME COURT MAGISTRATE. JIMENEZ WILL REPRESENTEDLY BE NAMED TO HEAD THE TERRITORIAL STUDIES DEPARTMENT OF THE FOREIGN MINISTRY. THAT DEPARTMENT PROVIDES BACK-UP AND LEGAL EXPERTISE FOR THE GOH NEGOTIAT-

ING TEAM WITH EL SALVADOR. THE FORMER HEAD OF THAT DEPARTMENT, PEDRO PINEDA MADRID, A RESPECTED LAWYER, HAS BEEN NAMED TO REPLACE CESAR BATRES AS HONDURAS' CHIEF NEGOTIATOR.

3. JUAN MARINAKYS AT CONADI HAS BEEN REPLACED BY HIS FORMER DEPUTY, AUGUSTO COELLO. AT THE PORT AUTHORITY (ENP), THE HIGHLY RESPECTED ANTONIO JOSE COELLO IS TO BE REPLACED BY TEODORICO SIERRA, WHO HAS BEEN A CENTRAL AMERICAN BANK PROJECTS OFFICER FOR 16 YEARS.

4. OTHER AUTONOMOUS AGENCIES OF IMPORTANCE EXPECTED TO UNDERGO CHANGES ARE THE ELECTRIC COMPANY WHERE THE 43 YEAR OLD ANGEL ALBERTO BOESCH, SUB-DIRECTOR IN CHARGE OF THE EL CAJON PROJECT IS EXPECTED TO REPLACE LUIS CONSENZA AND THE BANANA CORPORATION (COHBANA) WHOSE NUMBER TWO, RUDOLFO ALVAREZ, IS WIDELY CONSIDERED A SURE SUBSTITUTE FOR VINCENT DIAZ. LT. COL. DAGOBERTO GOMEZ SUAZO, NUMBER TWO AT THE FORESTRY CORPORATION (COHDEFOR) WILL REPLACE RICARDO REYES.

5. GUILLERMO BUESO HAS NOT MADE ANY PUBLIC STATEMENTS OVER WHETHER HE WILL STAY AT THE CENTRAL BANK OR NOT. THERE ARE NUMEROUS REPORTS THAT THE GOVERNMENT IS UNDER PRESSURE FROM THE PRIVATE BANKING COMMUNITY AND INTERNATIONAL FINANCIAL AGENCIES TO KEEP BUESO. THE GOH IS VERY MUCH AWARE OF THE IMPORTANCE OF THIS POSITION AND THE RESPECT WHICH BUESO COMMANDS. THE GOH HAS TOLD US PRIVATELY IT WISHES TO KEEP HIM.  
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6. COMMENT: WHILE THERE ARE STILL SEVERAL POSITIONS, PRIMARILY SUB-SECRETARIAL, TO BE FILLED, IT IS NOW CLEAR THE MILITARY JUNTA WHICH REPLACED GENERAL MELGAR INTENDS TO CONTINUE THE BASIC POLICIES OF THE PREVIOUS ADMINISTRATION. THE JUNTA'S OWN DECLARATIONS ALSO CONFIRM THIS. THE NUMBER OF CABINET MINISTERS RETAINED AND PERSONS WHO HELD THE SECOND POSITION DURING THE MELGAR PERIOD AND WHO HAVE NOW BEEN MOVED UP TO THE TOP JOBS IS STRIKING. IN MOST CASES, THESE NUMBER TWO'S WERE ALSO CLOSELY IDENTIFIED WITH MELGAR BUT ALSO ENJOY GOOD RELATIONS WITH THE ARMED FORCES (E.G. COELLO, ALVAREZ). OTHERS SEEM QUALIFIED TECHNICIANS. HAVING RUSHED AHEAD TO DEMAND A NUMBER OF CHANGES IT WISHED, IT ALMOST SEEMS AS IF THE ARMED FORCES SUPERIOR COUNCIL OPTED FOR GENERALLY WELL KNOWN NAMES WHEN FACED WITH THE REALITIES OF NAMING PROGRAM HEADS WHO WOULD REASSURE DOMESTIC AND INTERNATIONAL OPINION.  
JARAMILLO

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## Message Attributes

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